



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0401	<b>Title:</b>	Restore TANF benefits
<b>Primary Sponsor:</b>	Kaufmann, Christine	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$5,121,381	\$7,754,462
Federal Special Revenue	\$5,831,839	\$6,457,087	\$1,975,820	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>(\$5,121,381)</u>	<u>(\$7,754,462)</u>

### **Description of fiscal impact:**

This bill increases annual TANF cash benefit expenditures between \$5.8 and \$7.7 million per year.

### **FISCAL ANALYSIS**

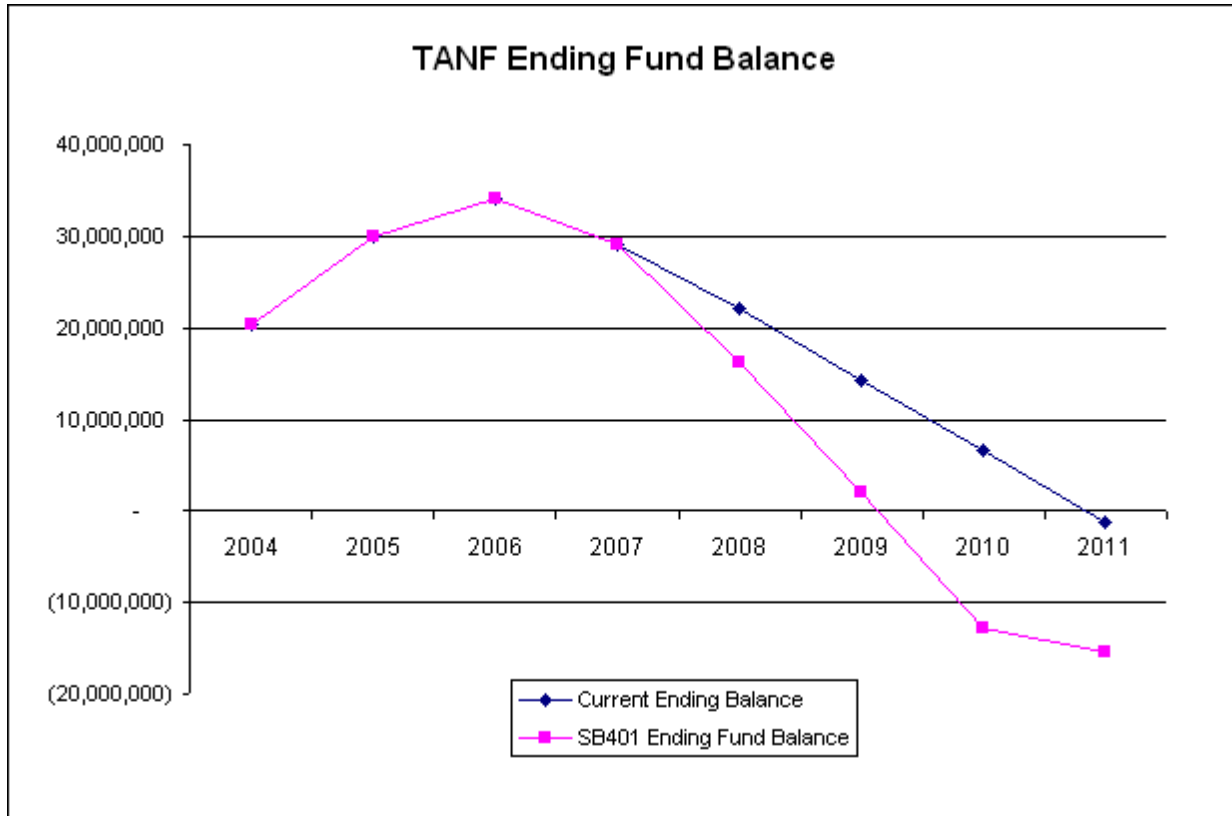
#### **Assumptions:**

#### **Department of Public Health and Human Services**

1. The average monthly TANF caseload for SFY 2006 was 3,642.
2. The executive budget is passed as introduced.
3. The projected cost of the current TANF program will not change from the proposal in the Governor's Budget.
4. The current federal TANF grant allocation is not projected to be sufficient to sustain the program at the current benefit level starting in FY 2011.
5. The current TANF program will require additional general fund to sustain the program starting in FY 2011.

6. The current TANF program will have a federal grant allocation fund balance of \$14.3 million at the end of FY 2009.
7. The average monthly caseload used for this analysis was 5% above the average monthly case load observed in SFY 2006. The caseload used was 3,824.
8. Caseload was adjusted by 5 percent because it is anticipated that caseload will increase because of the increase in cash benefits.
9. The annual TANF Block Grant is \$39.2M in 2008 and \$38M in 2009-2011.
10. The executive budget annual expenditures for TANF cash benefits is \$19,168,992.
11. Annual expenditures for the affect of this bill are \$25.0M for 2008, \$25.6M for 2009, \$26.3M for 2010 and \$26.9M in 2011.
12. Once the TANF Block Grant was exhausted the cost of this bill was shifted to the state general fund, in part in FY 2010 and in whole in FY 2011.
13. TANF Maintenance of Effort (MOE) is not available for providing revenue to this bill as that amount is spent in the base.
14. With this bill, the TANF Block Grant would become insolvent in 2010 and general fund would be needed to support this bill. Total additional general fund amounts would be \$12.9M in 2010 and \$15.5M in 2011 (see graph below).

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Benefits	\$5,831,839	\$6,457,087	\$7,097,201	\$7,754,462
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$5,121,381	\$7,754,462
Federal Special Revenue (03)	\$5,831,839	\$6,457,087	\$1,975,820	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$5,831,839</b>	<b>\$6,457,087</b>	<b>\$7,097,201</b>	<b>\$7,754,462</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	(\$5,121,381)	(\$7,754,462)
Federal Special Revenue (03)	(\$5,831,839)	(\$6,457,087)	\$0	\$0



**Technical Notes:**

In 2010 and 2011 the funding from the TANF block grant cannot meet the requirements of the bill and funding is assumed to shift to the general fund at the point of the block grant's depletion for that specific year.

*Sponsor's Initials*

*Date*

*Budget Director's Initials*

*Date*